

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2002-92-C - ORDER NO. 2002-503

JULY 8, 2002

IN RE: Application of Ring Connection, Inc. for a)	ORDER GRANTING
Certificate of Public Convenience and)	CERTIFICATE
Necessity to Provide Local Exchange)	
Telecommunications Services and Flexible)	
Regulation.)	

This matter comes before the Public Service Commission of South Carolina (the "Commission") by way of the Application of Ring Connection, Inc. ("Ring Connection") or the "Company") requesting a Certificate of Public Convenience and Necessity to provide resold local exchange telecommunications services throughout the State of South Carolina. In addition, the Company requests that the Commission regulate its local service in accordance with the principles and procedures established for flexible regulation by Order No. 98-165 in Docket No. 97-467-C. The Company's Application was filed pursuant to S.C. Code Ann. §58-9-280(B) (Supp. 2001) and Section 253 of the Telecommunications Act of 1996.

By letter, the Commission's Executive Director instructed Ring Connection to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the areas affected by the Application. The proposed Notice of Filing was to inform interested parties of the manner and time in which to file the appropriate pleadings for

participation in the proceedings. Ring Connection complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. A Petition to Intervene was received from the South Carolina Telephone Coalition (“SCTC”) on May 15, 2002.

On June 3, 2002, counsel for SCTC filed with the Commission a Stipulation in which Ring Connection stipulated that it would seek authority in non-rural local exchange (“LEC”) service areas of South Carolina and that it would not provide any local service to any customer located in a rural incumbent's service area, unless and until Ring Connection provided written notice of its intent prior to the date of the intended service. Ring Connection also stipulated that it was not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas. Ring Connection agreed to abide by all State and Federal laws and to participate to the extent that it may be required to do so by the Commission in support of universally available telephone service at affordable rates. The SCTC withdrew its opposition to the granting of a statewide Certificate of Public Convenience and Necessity to Ring Connection to provide local services provided the conditions contained in the Stipulation are met. The Stipulation was entered into the evidence of the hearing, and the Staff requested that the Stipulation be approved by the Commission. The Stipulation is approved and attached as Order Exhibit 1.

A hearing was commenced on June 19, 2002, at 10:30 a.m. in the Commission's Hearing Room. The Honorable William Saunders, Chairman, presided. Ring Connection was represented by Bonnie D. Shealy, Esquire. Jocelyn G. Boyd, Staff Counsel,

represented the Commission Staff. Al Aplin, Director of Marketing and Advertising, appeared and testified on behalf of the Company.

Mr. Aplin described the nature of Ring Connection's proposed service offering within the State of South Carolina and provided testimony regarding Ring Connection's financial, managerial, and technical ability to provide telecommunications services in South Carolina. Ring Connection is a Florida corporation that has received authority to transact business within the State of South Carolina.

The Company intends to offer resold local exchange telecommunications services, to residential customers only, throughout the State of South Carolina. The record reveals that Ring Connection intends to commence offering service to residential customers immediately upon the establishment of the appropriate and necessary resale agreements with the incumbent local exchange carriers (ILECs) and upon the filing of its final tariff with the Commission. According to the testimony, Ring Connection's focus is resold local exchange residential service only, and the Company has no plans to offer pay telephone, long distance, ISP, high speed data, or any other tangent residential or business services. Further, Ring Connection will negotiate resale agreements with BellSouth, Sprint, Verizon, and Alltel as necessary to provide the greatest availability of service to customers throughout the State of South Carolina.

Regarding the Company's marketing of its services in South Carolina, Ring Connection intends to market its services via a network of established storefront retailers statewide who function as independent customer registration and collection centers. According to the testimony, Ring Connection does not utilize telemarketers to recruit

independent registration and collection centers or customers. Further, the Company employs a full-time market development specialist to seek out, contract, and train its independent registration and collection centers.

Aplin testified that Ring Connection's personnel represent a broad spectrum of business and technical disciplines, possessing many years of individual and aggregate telecommunications experience. David Ring is the Company's President and Chief Executive Officer. His duties include general oversight of all financial and administrative functions and strategic planning. He also ensures financial and structural integrity of the Company. Ring founded his first corporation, Appliance and TV Rentals, Inc., in 1984. The record reveals that through diversification and expansion, Ring's initial operation has grown to include nine corporations engaged in financial services, commercial printing, internet service and local pre-paid telephone operations. Melanie Guthrie is the Director of Operations for the Company. She is responsible for oversight of day-to-day practical and financial operations of all facets of the Company. Additionally, she has full supervisory responsibility for all employees. The record reveals that Ms. Guthrie, a CPA, has been engaged in a variety of management, public accounting, and consulting capacities since 1985. Other personnel of Ring Connection include Robert Lea of Management Information Services, Cheryl Valentine, Accounts Manager, and Miriam Herrera, Carol Martin, and Erin Justice of Customer Billing.

Ring Connection has authority to provide telecommunications services in Florida, Alabama, Georgia, Mississippi, and Tennessee. According to the testimony, the Company has applied for and received approval to transfer certification from Appliance

& TV Rentals, Inc to Ring Connection in the following states: Florida, Alabama, Georgia, and Tennessee. The Company is currently awaiting the transfer of control from Appliance & TV Rentals, Inc. to Ring Connection in the State of Mississippi. The testimony further reveals that Ring Connection has never been the subject of an investigation by a state regulatory body or by the Federal Communications Commission.

Regarding the Company's financial condition, Aplin testified that Ring Connection is financially qualified to provide resold local exchange telecommunications services in South Carolina. According to the record, the Company has access to the financing and capital necessary to conduct its telecommunications operations.

In addition, Ring Connection requested that the Commission regulate its local exchange telecommunications services under the flexible regulatory treatment approved by Order No. 98-165 in Docket No. 1997-467-C. Specifically, Ring Connection requested that the Commission adopt for Ring Connection a rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels. Further, Ring Connection requested that its tariff filings be presumed valid upon filing, subject to the Commission's right within thirty (30) days to institute an investigation of the tariff filings, in which case such tariff filings would be suspended pending further Order of the Commission, and that any tariff filing will be subject to the same monitoring process as similarly situated competitive local exchange carriers.

Ring Connection requested a waiver of S.C. Code Ann. Regs. 103-631 (1976) so that the Company will not be required to publish local exchange directories. According to the record, Ring Connection will make arrangements with the incumbent local exchange

carriers whereby the names of Ring Connection's customers will be included in the directories published by the incumbent local exchange carriers. Ring Connection also requested a waiver of the 26 S.C. Code Regs. 103-610 which requires that a Company's books and records be kept in this state. Ring Connection wishes to keep its books and records at its principal place of business. The Company also maintains its books of accounting in accordance with Generally Accepted Accounting Principles (GAAP). According to the record, Ring Connection does not possess the detailed cost data required by the Uniform System of Accounts (USOA), nor does it maintain detailed records on a state-specific basis. Therefore, Ring Connection requests to be exempt from any USOA requirements of the Commission.

The testimony reveals Ring Connection's presence in South Carolina as a telecommunications service provider will have a positive effect on the public interest. Aplin testified that Ring Connection's telecommunications operations make local exchange telephone services available to customers who, for the most part, do not qualify to do business directly with ILECs. The testimony reveals that Ring Connection provides a valuable service to these customers. Aplin also testified that Ring Connection does not compete with ILECs for customers; the Company serves customers that LECs, for a variety of reasons (financial and otherwise), cannot or do not serve. According to Aplin, Ring Connection's competition for customers is with other competitive local exchange carriers, and that competition is based on value conscious pricing and high quality customer service.

Upon consideration of the application and the record from the hearing, the Commission makes the following findings of fact and conclusions of law:

FINDINGS OF FACT

1. Ring Connection is organized as a corporation organized under the laws of the State of Florida and has received a certificate from the South Carolina Secretary of State to transact business within South Carolina.

2. Ring Connection wishes to provide local exchange services within the State of South Carolina.

3. The Commission finds that Ring Connection possesses the technical, financial, and managerial resources sufficient to provide the service requested. S.C. Code Ann. §58-9-280(B)(1) (Supp. 2001).

4. The Commission finds that Ring Connection's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. §58-9-280(B)(3) (Supp. 2001).

5. The Commission finds that Ring Connection will support universally available telephone service at affordable rates. S.C. Code Ann. §58-9-280(B)(4) (Supp. 2001).

6. The Commission finds that Ring Connection will provide services which will meet the service standards of the Commission. S.C. Code Ann. §58-9-280(B)(2) (Supp. 2001).

7. The Commission finds that the provision of local exchange service by Ring Connection “does not otherwise adversely impact the public interest.” S.C. Code Ann. §58-9-280(B)(5) (Supp. 2001).

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to Ring Connection to provide competitive intrastate local exchange services within the State of South Carolina. The terms of the Stipulation between Ring Connection and the SCTC (attached hereto as Exhibit 1) are approved and adopted as a portion of this Order. Any proposal to provide local services to rural service areas is subject to the terms of the Stipulation. In accordance with the Stipulation, Ring Connection may not provide any local service to a customer located in a rural incumbent LEC’s service area, unless or until Ring Connection provides such rural incumbent LEC and the Commission, written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. The Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while it conducts any proceeding incident to the Petition or upon the Commission’s own Motion, provided that the Commission can further suspend the implementation date upon a showing of good cause. It is specifically provided that all rights under Federal and State law are reserved to the rural incumbent LECs, and this Order in no way suspends or adversely affects such rights, including any exemptions,

suspensions, or modifications as they may be entitled. If, after notice from Ring Connection that it intends to serve a customer located in a rural incumbent LEC's service area, and the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law, or if the Commission institutes a proceeding of its own, no service may be provided by Ring Connection in a rural incumbent LEC's service area pursuant to this Order without prior and further Commission approval.

2. Ring Connection shall file, prior to offering local exchange services in South Carolina, its final tariff of its local service offerings conforming to all matters discussed with Staff and comporting with South Carolina law in all matters. Ring Connection's local telecommunications services shall be regulated in accordance with the principles and procedures established for flexible regulation first granted to NewSouth Communications by Order No. 98-165 in Docket No. 97-467-C.

Specifically, the Commission adopts for Ring Connection's competitive intrastate local exchange services a rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels that will have been previously approved by the Commission. Further, Ring Connection's local exchange service tariff filings are presumed valid upon filing, subject to the Commission's right within thirty (30) days to institute an investigation of the tariff filing, in which case the tariff filing would be suspended pending further Order of the Commission. Further, any such tariff filings will be subject to the same monitoring process as similarly situated competitive local exchange carriers.

3. Ring Connection shall resell or provide the services of only those companies authorized to provide telecommunications services in South Carolina by this Commission.

4. Ring Connection shall conduct its business in compliance with Commission decisions and Orders, both past and future, including but not limited to, any and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.

5. Ring Connection shall file annual financial information in the form of annual reports and gross receipt reports as required by the Commission. The annual report and the gross receipt report will necessitate the filing of intrastate information. Therefore, Ring Connection shall keep such financial records on an intrastate basis as needed to comply with the annual report and gross receipt filings. The form the Company shall use to file annual financial information with the Commission can be found at the Commission's web site at www.psc.state.sc.us/forms. This form is entitled "Annual Report for Competitive Local Exchange Carriers". Additionally, pursuant to the Commission's regulations, the Company shall file a CLEC Service Quality Quarterly Report with the Commission. The proper form for this report is Form #110 and can be found at www.psc.state.sc.us/forms/default.htm.

6. Title 23, Chapter 47, South Carolina Code of Laws Ann., governs the establishment and implementation of a "Public Safety Communications Center," which is more commonly known as a "911 system" or "911 service." Services available through a 911 system include law enforcement, fire, and emergency medical services. In

recognition of the necessity of quality 911 services being provided to the citizens of South Carolina, the Commission hereby instructs Ring Connection to contact the appropriate authorities regarding 911 service in the counties and cities where the Company will be operating. Contact with the appropriate 911 service authorities is to be made before beginning telephone service in South Carolina. Accompanying this Order is an information packet from the South Carolina Chapter of the National Emergency Number Association (“SC NENA”) with contact information and sample forms. The Company may also obtain information by contacting the E911 Coordinator at the Office of Information Resources of the South Carolina Budget and Control Board. By this Order and prior to providing services within South Carolina, Ring Connection shall contact the 911 Coordinator in each county, as well as the 911 Coordinator in each city where the city has its own 911 system, and shall provide information regarding the Company’s operations as required by the 911 system.

7. The Company shall, in compliance with Commission regulations, designate and maintain authorized utility representatives who are prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the names of the authorized representatives to be contacted in connection with general management duties as well as emergencies which occur during non-office hours.

Ring Connection shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The form the Company shall use to file this authorized utility representative information can

be found at the Commission's website at www.psc.state.sc.us/forms. This form is entitled "Authorized Utility Representative Information." Further, the Company shall promptly notify the Commission in writing if the representatives are replaced. Ring Connection shall also file with the Commission a copy of its general Bill Form as required by S.C. Code Regs. 103-612.2 and 103-622 (1976 and Supp. 2001).

8. Ring Connection shall file annually the Intrastate State Universal Service Fund (USF) worksheet due August 15 for calendar and fiscal year ending companies.

9. Ring Connection requested waivers from certain Commission regulations and requirements. Specifically, Ring Connection requested waivers from (1) the requirement found in Rule 103-631 to publish and distribute local exchange directories, and (2) the requirement found in Rule 103-610 that all books and records be kept within the State of South Carolina. The Company also requested permission to exempt it from any requirement to maintain books and records in compliance with the USOA. The Commission grants the request for waiver from the requirement to publish directories as Ring Connection has indicated that it will contract with the incumbent local exchange company to include the customers of Ring Connection in the directory listing of the ILEC directory. The Commission grants the Company's request to keep its books and records at its headquarters. Further, the Commission grants Ring Connection's request that it be allowed to keep its books and records in accordance with GAAP rather than the USOA.

10. The Federal Communications Commission (FCC) in July of 2000 required all telecommunications carriers throughout the United States to implement three-digit, 711, dialing for access to all Telecommunications Relay Services (TRS). The

Commission issued a memorandum in March of 2001 instructing all South Carolina telecommunications carriers to implement the service completely by October of 2001. All competitive local exchange carriers (CLECs) and incumbent local exchange carriers (ILECs) were instructed to include language in their tariffs introducing 711 as a new service offering with deployment by July 1, 2001, and to translate 711 dialed calls to 1-800-735-2905. All Payphone Service Providers (PSPs) were instructed to modify their programmable phones to translate calls dialed as 711 to the assigned TRS toll free number 1-800-735-2905 in order to route 711 calls to the TRS provider before October 2, 2001. Additionally, telephone directories were required to be updated and bill inserts promoting 711 were also required. This Company must comply with the applicable mandates. For complete information on compliance with this FCC and Commission requirement, go to the Commission's website at www.psc.state.sc.us/forms.

11. With regard to the origination and termination of toll calls within the same LATA, Ring Connection shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), with the exception of the 10-XXX intraLATA dialing requirement, which has been rendered obsolete by the toll dialing parity rules established by the Federal Communications Commission, pursuant to the Telecommunications Act of 1996 (See, 47 CFR 51.209). Specifically, the Company shall comply with the imputation standard as adopted by Order No. 93-462 and more fully described in paragraph 4 of the Stipulation and Appendix B approved by Order No. 93-462.

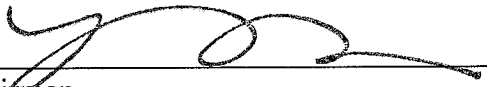
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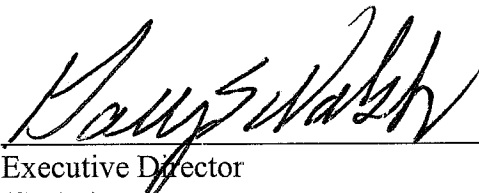
12. Ring Connection is directed to comply with all Commission regulations, unless a regulation is specifically waived by the Commission.

13. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director
(SEAL)

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

Docket No. 2002-92-C

Re: Application of Ring Connection, Inc. for)
a Certificate of Public Convenience and)
Necessity to Provide Local Exchange)
Telecommunications Services in the State)
of South Carolina)
_____)

STIPULATION

The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and Ring Connection, Inc. ("Ring Connection") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, SCTC does not oppose Ring Connection's Application. SCTC and Ring Connection stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to Ring Connection, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.

2. Ring Connection stipulates and agrees that any Certificate which may be granted will authorize Ring Connection to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.

3. Ring Connection stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.

4. Ring Connection stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, unless

and until Ring Connection provides such rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, Ring Connection acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. Ring Connection stipulates and agrees that, if Ring Connection gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, and either (a) the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law within such 30-day period, or (b) the Commission institutes a proceeding of its own, then Ring Connection will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. Ring Connection acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

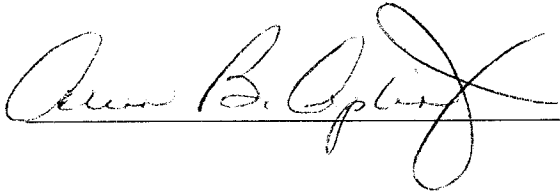
7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs and Ring Connection, and this Stipulation in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

8. Ring Connection agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

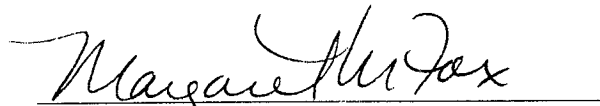
9. Ring Connection hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

AGREED AND STIPULATED to this 20th day of May,
2002.

Ring Connection, Inc.:

A handwritten signature in cursive script, appearing to read "Aaron B. Oplinger", written over a horizontal line.

South Carolina Telephone Coalition:

A handwritten signature in cursive script, appearing to read "Margaret M. Fox", written over a horizontal line.

M. John Bowen, Jr.
Margaret M. Fox
McNAIR LAW FIRM, P.A.
Post Office Box 11390
Columbia, South Carolina 29211
(803) 799-9800

Attorneys for the South Carolina Telephone
Coalition

ATTACHMENT A

South Carolina Telephone Coalition Member Companies for Purposes of Local Service Stipulation

ALLTEL South Carolina, Inc.
Chesnee Telephone Company
Chester Telephone Company
Farmers Telephone Cooperative, Inc.
Ft. Mill Telephone Company
Heath Springs Telephone Company Inc.
Home Telephone Company, Inc.
Lancaster Telephone Company
Lockhart Telephone Company
McClellanville Telephone Company
Norway Telephone Company
Palmetto Rural Telephone Cooperative, Inc.
Piedmont Rural Telephone Cooperative, Inc.
Pond Branch Telephone Company
Ridgeway Telephone Company
Rock Hill Telephone Company
Sandhill Telephone Cooperative, Inc.
St. Stephen Telephone Company
West Carolina Rural Telephone Cooperative, Inc.
Williston Telephone Company

BEFORE
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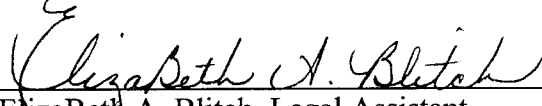
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Necessity to Provide Local Exchange)
Telecommunications Services in the State)
of South Carolina)
_____)

**CERTIFICATE OF
SERVICE**

I, ElizaBeth A. Blitch, do hereby certify that I have this date served one (1) copy of the foregoing Stipulation upon the following party of record by causing said copy to be deposited with the United States Mail, first class postage prepaid to:

Bonnie D. Shealy, Esquire
Robinson, McFadden & Moore, P.C.
Post Office Box 944
Columbia, South Carolina 29202


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May 31, 2002

Columbia, South Carolina